

# Increased Cost of Operation

Everyone knows that during the last 15 years the cost of living has greatly increased. A street railway experiences the same effect as an individual in its expenses, due to the advanced prices of necessities. A corporation does not consume groceries and clothing, it is true, but its employes do, and a street railway uses great quantities of steel, iron, timber, copper and coal.

Since 1902 the Omaha and Council Bluffs Street Railway Company has been practically rebuilt, and equipped with a new central power station, new general repair and car shops, new car houses, new and larger cars, new and heavier rails and roadway, and new electrical distributing systems. The first electric lines of the early '90s have disappeared. Besides this many miles of new lines and extensions have been constructed.

All of the work has been done with first class materials, purchased at the high prices of the period, and with labor constantly and justly demanding higher wages—and receiving them.

The higher costs of labor, materials and supplies are reflected not only in the expense of new construction and reconstruction, but in the annual outlays for operation and maintenance. Operation includes the wages paid the permanent force of 1,000 men, the coal burned and the depreciation always in progress over the entire system. Maintenance means the repairs made to keep the property at operating efficiency.

To give the reader a very conservative idea of the advance in the cost during the last 15 years of some of the principal materials and supplies used in street railway operation, the following table is presented:

COMMODITY	1895	1909	Inc. %
Steel girder rails, (per ton), -	\$36.00	\$42.00	16½%
Cedar poles, (each), - -	4.00	6.00	50 %
Oak ties, (each), - - -	.55	.70	27¼%
Iron poles, (each), - - -	14.00	18.00	28½%
*Copper, (per pound) - - -	.12½	.15	25 %
Labor on construction, (average per day),	1.50	1.85	23⅓%
Steam coal, (per ton) - - -	1.45	1.90	31 %

\*These prices do not truly represent the average increase in copper, which fluctuates greatly. The general tendency during the last ten years has been much higher and in 1907 the price rose to 26 cents.

It must be apparent to every one that it costs more to maintain the track and roadway of today than it did to maintain the early track and roadway, and also that it costs more to maintain the heavy modern cars in operation today, with their airbrakes, hot water heating plants and other accessories, than it did to maintain the small single truck cars in use when electric operation was commenced.

The heaviest single item of street railway operation is the

wage account. In 1908 this Company paid out nearly three-quarters of a million dollars in wages and salaries. Of this amount \$429,560 was paid to motormen and conductors, representing an increase of 8½ per cent in this item over the year before.

The following table shows how the maximum hourly wages paid trainmen has more than doubled within 35 years. It shows a progressive increase and it is significant that three out of six advances have been made within the last half dozen years:

1875 - 12 1-2 cents per hour	1902 - 22 cents per hour
1880 - 14 2-7 cents per hour	1906 - 25 cents per hour
1890 - 20 cents per hour	1897 - 26 cents per hour

The maximum wage has been used in this table because the loss of early records has made it impossible to compute the average wage paid trainmen prior to 1890. In the days of horse car operation, drivers began at a daily wage of \$1.25 and gradually worked up to \$1.75, and later \$2. They worked from 14 to 16 hours a day, but in calculating their hourly wage in order to make a uniform basis of comparison 14 hours a day has been used.

From the time of electrification until 1902, a flat hourly wage of 20 cents was paid and the hours per day reduced to an average of 10 for each man, this being the rule today.

Since 1875 there have been no reductions in the pay of trainmen. The Horse Railway started paying \$2 a day, but it was found necessary to reduce this scale materially in the early 70s. By 1875 the rate had advanced to \$1.75, maximum.

Following the panic of 1893 many street railways in the United States reduced wages of trainmen during the hard times. The Omaha Street Railway Company did not.

January 1, 1902, the company put in effect a graduated scale of wages as follows: First year, 20 cents; second year, 21 cents; third year and thereafter, 22 cents.

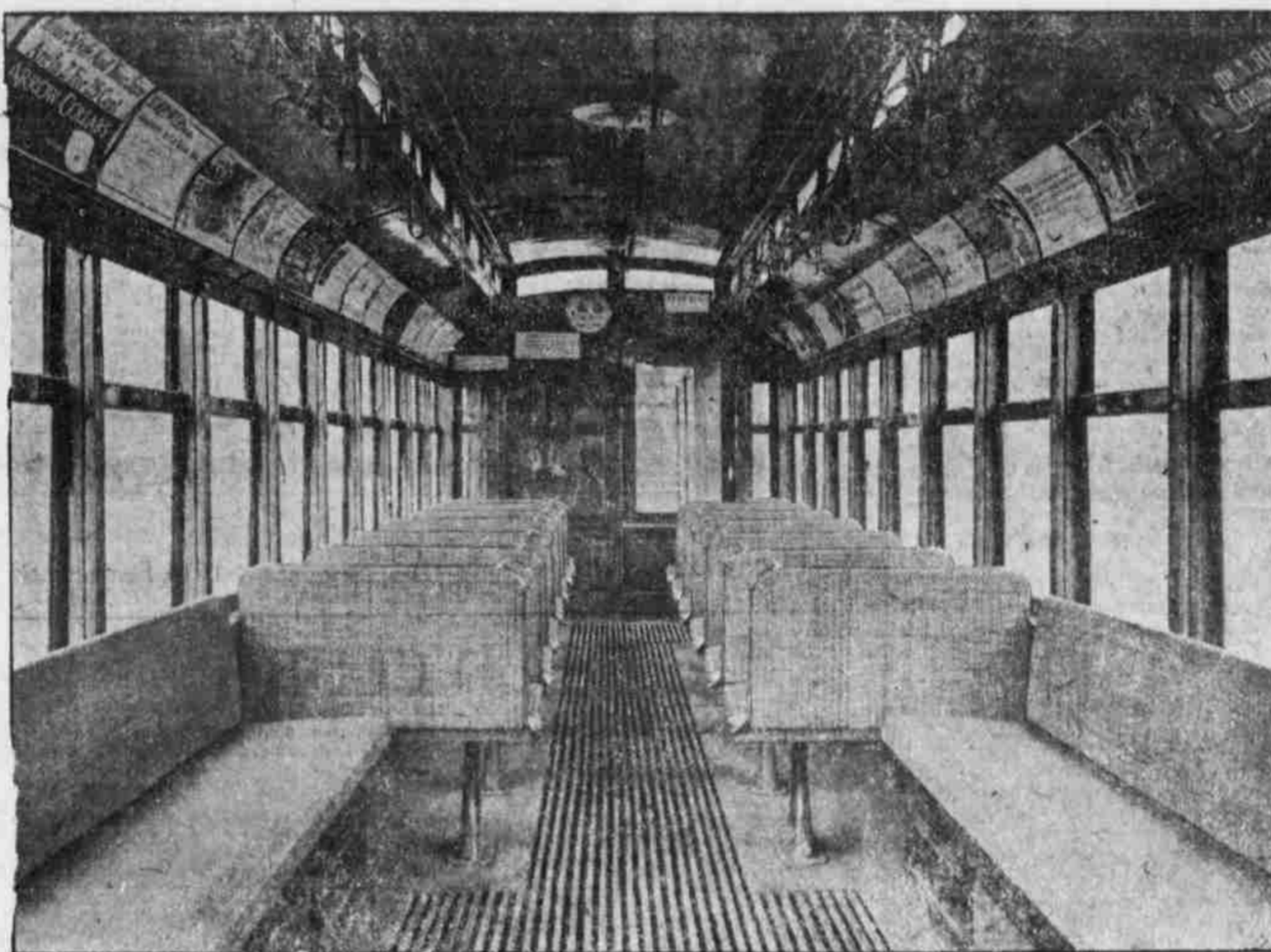
May 1, 1906, another advance in wages was paid comprised in the following scale: First year, 20 cents; second year, 21 cents; third year, 22 cents; fourth, fifth and sixth years, 23 cents; seventh, eighth, ninth and tenth years, 24 cents; thereafter, 25 cents.

May 1, 1907, the present scale with a minimum of 21 cents and a maximum of 26 cents, fully described in the last article, went in force. Under it all trainmen on the system earn an average of 23½ cents an hour.

G. W. WATTLES, President.

Omaha and Council Bluffs Street Railway Company.

(The Article Next Sunday will show the Increased Transportation Power of the Nickel.)



Interior View of a Modern Car Built in the Company's Shops.